
SUBSTITUTE HOUSE BILL 2380

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Finance (originally sponsored by Representatives Ericks, Orcutt, Hunter, Kretz, Linville and Ormsby)

READ FIRST TIME 04/02/07.

1 AN ACT Relating to providing taxpayer relief for costs associated
2 with compliance with the sourcing requirements of the streamlined sales
3 and use tax agreement; adding a new section to chapter 82.32 RCW; and
4 providing an expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.32 RCW
7 to read as follows:

8 (1) Impacted taxpayers may either:

9 (a) Use the services of a certified service provider at no cost to
10 themselves for tax reporting periods up to one year after July 1, 2008;
11 or

12 (b) Claim a credit against the tax imposed under RCW 82.08.020(1),
13 which is collected and otherwise required to be remitted by the
14 taxpayer as a seller and the tax imposed under RCW 82.04.220. The
15 amount of the credit is equal to the amount of costs incurred by the
16 taxpayer within one year of July 1, 2008, in order to comply with the
17 changes in the local sales and use tax sourcing rules implemented under
18 section 503, chapter 6, Laws of 2007.

1 (i) The total amount of credit claimed by a taxpayer under this
2 section may not exceed one thousand dollars.

3 (ii) No refunds may be granted for the credit. The eligible costs
4 for which a credit may be claimed include costs for goods, services,
5 and labor incurred for the purpose of complying with the local sales
6 tax sourcing rules under chapter 6, Laws of 2007.

7 (iii) The credit under this section may not be claimed for tax
8 reporting periods before July 1, 2008. Taxpayers may not claim unused
9 credit for tax reporting periods after July 1, 2009.

10 (2) The use of a certified service provider under subsection (1)(a)
11 of this section must begin within one year after July 1, 2008, but not
12 before July 1, 2008.

13 (3) For purposes of this section, "impacted taxpayer" means a
14 taxpayer that:

15 (a) On July 1, 2008, is registered with the department and engaged
16 in making sales of tangible personal property that the taxpayer
17 delivered to physical locations away from his or her place of business;
18 and

19 (b) During the calendar year of 2008:

20 (i) Has a physical presence in Washington;

21 (ii) Has gross business income of less than three million dollars,
22 but equal to or more than five hundred thousand dollars; and

23 (iii) Has at least ninety-five percent of his or her gross income
24 from sales subject to sales tax derived from sales of tangible personal
25 property delivered to local jurisdictions imposing sales tax other than
26 the one in which the taxpayer has his or her main physical location.

27 (4) Certified service providers agreeing to provide services to
28 impacted taxpayers under subsection (1)(a) of this section shall be
29 compensated for those services by retaining as a fee an amount adopted
30 by rule by the department. The department may be guided by the
31 provisions for monetary allowances adopted by the governing board of
32 the agreement to determine the amount of the fee. The fee must be
33 reasonable and provide adequate incentive for certified service
34 providers to provide services to impacted taxpayers. The fee will be
35 funded solely from state sales taxes.

36 (5) Taxpayers that use certified service provider services under
37 subsection (1)(a) of this section, but are not impacted taxpayers are
38 immediately liable to the department for the amount retained by the

1 certified service provider as a fee for providing those services to the
2 taxpayer. All administrative provisions of this chapter applicable to
3 the collection of taxes apply to amounts due under this subsection. If
4 any amounts due under this subsection are not paid by the due date of
5 any notice informing the taxpayer of such liability, the department
6 shall apply interest, but not penalties, to amounts remaining due.
7 Interest assessed under this subsection must be at the rate provided
8 for delinquent excise taxes under this chapter from the day after the
9 due date until the amount due under this subsection is paid in full.

10 (6) Taxpayers that claim a credit under subsection (1)(b) of this
11 section, but are not impacted taxpayers are immediately liable to the
12 department for the amount of credit claimed. If any amounts due under
13 this subsection are not paid by the due date of any notice informing
14 the taxpayer of such liability, the department shall apply interest,
15 but not penalties, to amounts remaining due. Interest assessed under
16 this subsection shall be at the rate provided for delinquent excise
17 taxes under this chapter from the day after the due date until the
18 amount due under this subsection is paid in full.

19 (7) No application is necessary for either the use of certified
20 service providers under subsection (1)(a) of this section or the tax
21 credit under subsection (1)(b) of this section. The taxpayer must keep
22 records necessary for the department to determine eligibility under
23 this section. The department may prescribe rules and procedures
24 regarding the administration of this section.

25 (8) An impacted taxpayer using a certified service provider under
26 subsection (1)(a) of this section or taking a credit under subsection
27 (1)(b) of this section must file with the department all returns in an
28 electronic format as provided or approved by the department. As used
29 in this subsection, "returns" has the same meaning as "return" in RCW
30 82.32.050.

31 (a) Any return required to be filed in an electronic format under
32 this subsection is not filed until received by the department in an
33 electronic format provided or approved by the department.

34 (b) The department may waive the electronic filing requirement in
35 this subsection for good cause shown.

36 (9) This section expires June 30, 2009.

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